

Message Text

LIMITED OFFICIAL USE

PAGE 01 PARIS 02159 01 OF 02 241015Z
ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00
DODE-00 DOTE-00 INR-07 NSAE-00 FAA-00 L-03 SS-15
NSC-05 NEA-10 /063 W
-----116423 241031Z /10

R 241008Z JAN 78
FM AMEMBASSY PARIS
TO SECSTATE WASHDC 4711
INFO AMEMBASSY LONDON
AMEMBASSY BONN

LIMITED OFFICIAL USE SECTION 01 OF 02 PARIS 02159

E. O. 11652:N/A
TAGS: EAIR, FR, ECAC
SUBJECT: NORTH ATLANTIC SITUATION- CIVAIR

SUMMARY: ESPEROU OF DGAC HAS OUTLINED TO EMBASSY
VARIETY OF FRENCH CONCERNS RE U. S. INTERNATIONAL
AVIATION POLICY RELATING TO NORTH ATLANTIC. BASICALLY
HIS FEARS RELATE TO EMERGING OPEN RATE SITUATION
WHICH HE FEELS TENDS TO FAVOR AMERICAN CARRIERS AS MORE
EFFICIENT OPERATORS. IDENTIFIED TWO PROBLEMS WHICH PANAM
AND TWA OPERATIONS WERE POSING AND WHICH ARE EVOKING
SOME CONCERN AMONG FRENCH AERONAUTICAL AUTHORITIES.
LIST OF QUESTIONS GIVEN BELOW MAY BE A TIP-OFF RE
THEMES FRENCH WILL BE PUSHING MORE SPECIFICALLY IN
MONTHS AHEAD.

1. INTRODUCTORY CALL ON ROBERT ESPEROU (DIRECTOR OF
ECONOMIC AND INTERNATIONAL SERVICE, DGAC) BY CAA ON
JANUARY 20 BECAME TOUR D'HORIZON OF SEVERAL CONCERNS
FRENCH AVIATION AUTHORITIES HAVE RE U.S. POLICY AND
ACTIVITIES. AMONG POINTS THE POINTS ESPEROU
MADE WERE:

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PARIS 02159 01 OF 02 241015Z

A. COMPETITION POLICY: IT IS DIFFICULT AT
PRESENT TO DISCERN THE MAIN LINES OF U. S. AVIATION
POLICY FROM THE WIDE VARIETY OF AGENCY STATEMENTS
BEING MADE IN WASHINGTON, BUT THE FRENCH AND OTHER
EUROPEANS FEAR THE U. S. EMPHASIS ON "DEREGULATION"
BEING CARRIED FROM THE DOMESTIC TO THE INTERNATIONAL
FIELD. INTERNATIONAL AVIATION MUST CONTINUE TO BE

REGULATED HE STRESSED, AS THE U. S. CARRIERS ARE THE MOST EFFICIENT OPERATORS AND FRANCE CAN NOT ACCEPT A SITUATION OF "MONOPOLY BY THE EFFICIENT".

B. SUPER APEX: THE U. S. POSITION OF ATTEMPTING TO PROTECT THE SUPPLEMENTALS BY NOT APPROVING SCHEDULED CARRIER SUPER-APEX FARES IS DISQUIETING. WHEN REMINDED THAT WE WERE QUITE WILLING TO APPROVE THESE FARES SO LONG AS WE WERE ABLE LATER TO DISALLOW THEM, HE GRUDGINGLY ADMITTED THIS POINT AND SAID THAT HE HAD JUST ADVISED FONOFF HE HAD NO SERIOUS OBJECTIONS TO REVISED U.S. LANGUAGE FOR EXCHANGE OF NOTES (STATE 305405) TO DEAL WITH SITUATION AND HOPED ALL COULD MOVE RAPIDLY TO BRING AIR FRANCE PROPOSED FARES INTO EFFECT.

C. IATA: BREAKUP OF RECENT GENEVA IATA CONFERENCE WAS MOST UPSETTING. FRENCH AND OTHER EUROPEANS ARE STILL ATTEMPTING TO PIECE TOGETHER WHAT HAPPENED. DIRECTORS GENERAL WILL DISCUSS SITUATION IN ECAC ABOUT JANUARY 25 AND PROBABLY WILL SEEK LATER MEETING WITH U. S. AND CANADA. HE STATED AGREED INTERNATIONAL "(MULTILATERAL)" FARES ARE TO BE PREFERRED TO "BILATERAL" ARRANGEMENTS AMONG THE CARRIERS AND HE HOPED SOME KIND OF A LIMITED MULTILATERAL SYSTEM WOULD STILL BE POSSIBLE, BUT DID NOT SPELL OUT WHAT HE HAD IN MIND. ESPEROU DID NOT SINGLE OUT THE U. S. CARRIERS (EVEN THE NEW ENTRANTS) AS BEING LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 PARIS 02159 01 OF 02 241015Z

PRIMARILY RESPONSIBLE FOR GENEVA DISARRAY AND ALLOWED THAT ALITALIA'S NEW FARE SYSTEM WAS AT LEAST A CONTRIBUTING FACTOR. HOWEVER, THE GENERAL EMPHASIS

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 PARIS 02159 02 OF 02 241022Z

ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00
DODE-00 DOTE-00 INR-07 NSAE-00 FAA-00 L-03 SS-15
NSC-05 NEA-10 /063 W

-----116470 241031Z /20

R 241008Z JAN 78
FM AMEMBASSY PARIS
TO SECSTATE WASHDC 4712
INFO AMEMBASSY LONDON
AMEMBASSY BONN

LIMITED OFFICIAL USE SECTION 02 OF 02 PARIS 02159

OF VARIOUS CARRIERS ON LOW FARES IS WORRISOME TO HIM AS IT MAY PRODUCE SUCH HIGH LOAD FACTORS AS TO LULL THE INDUSTRY INTO A NEW EQUIPMENT PROCUREMENT CYCLE THAT WOULD EXACERBATE ITS PROBLEMS WHEN THE NEXT TRAFFICE DOWNTURN OCCURS. WHEN QUERIED ON THE BASIS FOR THIS JUDGMENT ESPEROU SIMPLY REPLIED THAT HE WAS A CONSERVATIVE INTERPRETER OF AVIATION HISTORY, SUGGESTING THIS IS WHAT HAD ALWAYS HAPPENED IN THE PAST.

D. CHARTERS: REITERATED NEED FOR AN ACCORD BETWEEN THE U. S. AND EUROPE (ECAC MULTILATERAL CONCEPT) TO PROVIDE AN AGREED CONTROL MECHANISM SINCE BOTH CHARTERS AND "REGULATED" AIRLINE SYSTEM ARE BOTH COMPETING IN A SINGLE MARKET.

E. THE BILATERAL: FRANCE AT THE MOMENT HAS NO GENERAL PROBLEM WITH U.S. AIR TRANSPORT BILATERAL SINCE (1) AN ADEQUATE "EQUILIBRIUM" OF REVENUES EXISTS BETWEEN THE SCHEDULED CARRIERS OF BOTH COUNTRIES AND (2) FRANCE DOES NOT HAVE ANY GREAT DESIRE FOR NEW POINTS IN US AT PRESENT. HOWEVER, LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PARIS 02159 02 OF 02 241022Z

THERE MAY BE NEED FOR FARES CONSULTATIONS IF SYSTEM OF INDIVIDUAL CARRIER FILINGS PERSISTS AND, AS MAY BE EXPECTED, THERE WILL BE DISSATISFACTIONS BY EITHER GOVERNMENT WITH FARES PROPOSED BY CARRIERS OF THE OTHER.

F. PANAM: RETURN OF PANAM TO SCHEDULED SERVICE AT PARIS IS NOT PRESENTLY A MATTER OF GENERAL CONCERN TO THE FRENCH. HOWEVER, SOME SPECIFIC WORRY IS DEVELOPING OVER THE POSSIBILITY PANAM MAY CARRY PARIS-NEW YORK TRAFFIC VIA LONDON AS PROPOSED SCHEDULING OF ITS PARIS-LONDON-LOS ANGELES FLIGHT MAY PERMIT A CONNECTION AT LONDON FOR PASSENGERS EN ROUTE TO NEW YORK. THERE WILL, OF COURSE, BE NO OBJECTION TO DIRECT PARIS-NEW YORK FLIGHT WHEN PANAM CHOOSES TO BEGIN IT.

G. TWA: FRENCH AUTHORITIES ARE STARTING TO WORRY ABOUT THE LARGE VOLUME OF TRAFFIC TWA IS CARRYING TO PARIS FROM ROME, TEL AVIV AND CAIRO (AND VICE VERSA) -WHICH HE CHARACTERIZED AS SIXTH FREEDOM. DCGA HAS NOT YET ASKED FOR AN EXPLANATION OF THIS VOLUME FROM EITHER TWA OR THE USG, BUT IS THINKING OF IT. HOWEVER, HE CHARACTERIZED THE QUESTION AS NOT A "MOST URGENT" ONE.

2. COMMENT: DURING EARLIER BRIEF COURTESY CALLS ON ABRAHAM (DIRECTOR GENERAL OF CIVIL AVIATION) AS WELL AS CUVILLIER AND CLAUDE-LAFONTAINE WHO DEAL WITH AVIATION QUESTIONS AT FONOFF, CAA HEARD MORE GENERALIZED STATEMENTS OF WORRY ABOUT U.S.-FRENCH AVIATION RELATIONS IN THE CONTEXT OF FARES-CHARTER SITUATION ON THE NORTH ATLANTIC. WE HAVE NOT YET HAD OPPORTUNITY TO DISCUSS THESE MATTERS IN ANY LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 PARIS 02159 02 OF 02 241022Z

DETAIL WITH THEM. HOWEVER, ESPEROU -- WHOSE POSITION IS ROUGHLY ANALOGOUS TO THAT OF THE CHAIRMAN OF THE CHAIRMAN OF THE CAB AND WHOSE BUREAUCRATIC WEIGHT IS CONSIDERABLE -- HAS PROBABLY TIPPED US OFF TO WHAT MAY BE SOME OF THEMES PLAYED BY THE FRENCH RE NORTH ATLANTIC AVIATION IN THE NEXT SEVERAL MONTHS. GAMMON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CIVIL AVIATION, POLICIES
Control Number: n/a
Copy: SINGLE
Draft Date: 24 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978PARIS02159
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780035-0243
Format: TEL
From: PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780129/aaaaayeg.tel
Line Count: 200
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 8ee4a1e0-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3723411
Secure: OPEN
Status: NATIVE
Subject: NORTH ATLANTIC SITUATION- CIVAIR SUMMARY: ESPEROU OF DGAC HAS OUTLINED TO EMBASSY VARIETY OF FRENCH CONCERNS RE U. S. INTERNATIONAL
TAGS: EAIR, XN, ECAC
To: STATE
Type: TE
vdkgvkey: odb://SAS/SAS.dbo.SAS_Docs/8ee4a1e0-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014